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MULTILATERAL INVESTMENT FUND

**CHILE**

**DEVELOPMENT OF AN ELECTRONIC INVOICING SYSTEM AND  
TAX PORTAL FOR MICRO, SMALL, AND MEDIUM-SIZED  
ENTERPRISES IN CHILE**

**(CH-M1004)**

**DONORS MEMORANDUM**

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## **INFORMATION AVAILABLE IN THE TECHNICAL FILES OF RE1**

### **Preparation:**

Description of portal applications

Glossary of technical and information technology terms

### **Execution:**

Operating Regulations

Terms of reference

## ABBREVIATIONS

CCS	Cámara de Comercio de Santiago [Santiago Chamber of Commerce]
CEP	Comité Estratégico del Portal [Strategic Committee on the Portal]
CONFEDECH	Confederación del Comercio Detallista y Turismo de Chile [Confederation of Retail Trade and Tourism]
CONUPIA	Confederación Gremial Nacional Unida de la Mediana, Pequeña, Micro-industria, Servicios y Artesanado de Chile [United Trades Confederation of Micro, Small, and Medium-sized Enterprise, Service and Crafts Industries]
CORFO	Corporación de Fomento [Development Corporation]
ICT	Information and communication technologies
LAC	Latin America and the Caribbean
MSMEs	Micro, small and medium-sized enterprises
PCR	Project Completion Report
PPMR	Project Performance Monitoring Report
SDF	Subdirección de Fiscalización [Control Section]
SII	Servicio de Impuestos Internos [Internal Revenue Service]
SMEs	Small and medium-sized enterprises

# DEVELOPMENT OF AN ELECTRONIC INVOICING SYSTEM AND TAX PORTAL FOR MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES IN CHILE

(CH-M1004)

## EXECUTIVE SUMMARY

<b>Executing agency:</b>	Servicio de Impuestos Internos [Internal Revenue Service] (SII)	
<b>Beneficiaries:</b>	Micro, small, and medium-sized enterprises (MSMEs) in Chile	
<b>Amount and source:</b>	MIF (Facility I)	US\$1,279,000
	Local counterpart:	<u>US\$1,454,000</u>
	Total:	US\$2,733,000
<b>Execution timetable:</b>	Execution period:	36 months
	Disbursement period:	42 months
<b>Objectives:</b>	<p>The project's <b>general objective</b> is to help boost the competitiveness of MSMEs through massive use of information and communication technologies (ICT). The <b>specific objective</b> is to be able to transfer new managerial and technical skills—through joint government and private sector efforts—to enable Chilean MSMEs to make full use of ICT in their accounting and tax management.</p>	
<b>Description:</b>	<p>The Chilean government, through the SII, has been developing a number of Web-based solutions for the payment of taxes and other applications; these solutions have primarily focused on the medium-sized and large business sector. Microenterprises and small businesses are not actively taking advantage of these new applications that make it possible, among other things, to: cut operating costs, reduce the amount of red tape, use ICT for business, and strengthen business formality with the ensuing possibility of gaining access to credit. MSMEs are the most vulnerable sector of the economy and require tailor-made solutions that have so far not been developed. The project addresses this problem. To execute it, the SII has entered into a strategic partnership with the two associations that are most representative of the sector: the Confederación Gremial Nacional Unida de la Mediana, Pequeña, Micro-industria, Servicios y Artesanado de Chile [United Trades Confederation of Micro, Small, and Medium-sized Enterprise, Service and Crafts Industries (CONUPIA) and the Confederación del Comercio Detallista y</p>	

Turismo de Chile [Confederation of Retail Trade and Tourism] (CONFEDECH).

**Environmental  
and social  
review:**

The operation was reviewed by the Committee on Environment and Social Impact on 3 December 2004. No comments were made since the profile approaches were deemed appropriate.

**Coordination  
with other  
official  
development  
institutions:**

No similar programs financed by other official development agencies were identified.

**Special  
contractual  
clauses:**

Evidence that (i) the Strategic Committee on the Portal (CEP) has approved the project's Operating Regulations, which should contain mechanisms for execution and terms of reference for contracts provided for under the project; (ii) the project coordinator has been selected in accordance with Bank procedures; and (iii) the annual work program has been approved.

**Exceptions to  
Bank policy:**

None

## I. BACKGROUND

- 1.1 **The micro, small, and medium-sized enterprise (MSME) sector in Chile.** According to Corporación de Fomento [Development Corporation] (CORFO), there are 350,000 enterprises registered in Chile, of which 98.8% (345,000) are MSMEs and only 4,100 are large companies, representing 1.2% of the universe. Sales records show, however, that large companies' sales account for 79.6% of total sales, while the MSME sector sells only 20.4% of the total.
- 1.2 Currently, in addition to the traditional challenges facing the sector (complex regulatory framework and high costs involved in being part of the formal economy, such as business and property registration, taxes, labor standards, licenses, and access to credit), Chilean MSMEs face other challenges stemming from free trade agreements signed by Chile and the growing presence of information and communication technologies (ICT).<sup>1</sup> The Chilean government, together with private sector business associations, has recognized the need to provide Chilean enterprises with greater opportunities for development and sustainability through better access to and use of ICT.
- 1.3 **The Chilean digital strategy and the productive sector.** The 2004-2006 Chilean digital strategy—a joint public-private effort—sets out a series of specific objectives, as follows: e-government, digital divide and broadband deficit, quantity and quality of ICT human resources, lack of access to and use of ICT by businesses, lack of development in the ICT industry, and incomplete legal-regulatory framework. Yet MSMEs are increasingly required to develop their ICT capacity as a result of the relationships they establish or could establish with large businesses and the government itself (tax payments, government procurement, access to information, other public services). For most MSMEs, the fact that the technological conditions under which they operate are inadequate means a loss of opportunity in terms of access to domestic and international markets as well as new business.
- 1.4 The Internal Revenue Service (SII) has been a lead actor in the electronic government strategy of Chile, developing and offering services that in turn enhance the efficiency of the private sector. It is one of the main catalysts in the use of ICT (Internet in particular) by Chilean enterprises. For example, while e-trade among private agents reaches figures between US\$2.5 billion and US\$3 billion per year, the annual payment of taxes via Internet—primarily concentrated in large enterprises—is projected at some US\$8.4 billion for 2004 (US\$6,255,300,000 in

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<sup>1</sup> According to the Center for Research on the Digital Economy of the Santiago Chamber of Commerce (CCS), some 69% (2003) of Chilean businesses are connected to the Internet. However, there is little Internet use, with only 25% having a Website, 11% using it as a sales platform, and 16% to purchase supplies and stay in contact with suppliers. From the standpoint of the sectors, the higher percentages of Internet-connected MSMEs include construction companies and wholesalers, with 44.8% and 44.1%, respectively.



2003). Of the more than two million annual tax returns submitted in the last year, 83% were submitted via de Internet. In this case, Internet solutions made available by the SII primarily benefit natural persons, which is the largest segment of taxpayers submitting annual tax returns.

**1.5 Public efforts in the area of accounting-tax management and competitiveness.**

MSMEs are not yet benefiting from all the opportunities offered by ICT or, in the case of the relations they establish with the government, from all the advantages provided by access to e-government services being developed in Chile. Among the various services created by the SII to face the above-mentioned challenges, various solutions stand out that allow entrepreneurs to register for electronic tax services to receive sworn statements and tax returns; pay income and value added taxes electronically; obtain information on their tax status on line; have access to electronic invoicing services that legally validate electronic invoices for tax purposes as a means to back up commercial operations; and issue bills for professional services electronically as well as consult those already issued and authorize one or more representatives to issue them. CCS studies show that adopting electronic invoicing is a good investment since the investment made is recouped with as little as 2.3% of total invoices issued and paid via the Internet.

1.6 In addition, charges can be corrected item by item and the respective documents sent, making the process much speedier and cheaper. In general, the advantages are countless inasmuch as: (i) sales invoices processing is simplified since the more invoices are issued electronically, the easier the processing becomes; (ii) customer service is enhanced since savings are passed on; (iii) the standard language of electronic invoices incorporates the capacity to use information contained in others to generate a new one, making it possible for companies to use this medium to modify and/or preapprove invoices issued and rendering repetitive data entry unnecessary; and (iv) the company's image is improved. The studies mentioned also reflect the comparative advantages and additional benefits of these tools, such as: optimization of the invoicing process (by 32%), higher liquidity (28%), optimization of the payment receipt process (20%), and better customer service (12%).

1.7 Lastly, a survey conducted by the CCS of over 500 firms on their knowledge of the electronic invoicing system and their willingness to use it indicates that 85% of MSMEs believe that the system will be beneficial. In addition, according to the survey, 38% of microenterprises, 47% of small businesses, and 45% of medium-sized businesses are interested in and amenable to using the system. It is worth noting that the drop in the percentage between acceptance and possible implementation is due to the lack of financial capacity to defray the cost of implementation. By their nature, MSMEs lack the necessary means to undertake, on their own, the transformations required to enter the e-business world. The potential market for the project is determined by those companies that issue about 120 documents annually, which account for 85% of the total potential market.

- 1.8 In view of this situation, the Confederación Gremial Nacional Unida de la Mediana, Pequeña, Micro-industria, Servicios y Artesanado de Chile [United Trades Confederation of Micro, Small, and Medium-sized Enterprise, Service and Crafts Industries (CONUPIA), the Confederación del Comercio Detallista y Turismo de Chile [Confederation of Retail Trade and Tourism] (CONFEDECH), and the SII of Chile have established a public-private partnership for the purpose of developing e-government solutions for the MSME universe, generating specific applications aimed at boosting their competitiveness while facilitating tax compliance.
- 1.9 The project stakeholders converge in indicating that the problems of MSMEs will not be solved merely through greater and better supply of services but will require a process of activation and maturation of demand by businesses. This calls for training, awareness-building, development of tailor-made solutions, involvement of entrepreneurs in the design of the project itself, and the development of strategies that will make it possible to contemplate the variety of characteristics of Chilean MSMEs and the regional scope.
- 1.10 **Additionality.** The project will be a pilot in which the public-private cooperation model seeks to generate a model for transferring managerial and technical skills to the private sector, taking into account the SII's accumulated experience. The situation in Chile today—where there is a well-developed supply of Internet-based services for businesses, is not being fully tapped by MSMEs for purposes of boosting their competitiveness. With support that the MIF<sup>2</sup> has been providing and will develop through this project, all available resources will be used to greater advantage and, in the specific case of this project, its intellectual property is reserved for the Bank to put to use in other countries in the region. Execution of the project provides access to technological developments that are impossible for the businesses to obtain with their own resources and that will result in lower operating costs, such as costs associated with issuing documents on paper, paying for accounting and tax experts, making management information available, securing transactions with clients and suppliers, and ensuring the security and reliability of tax transactions. Lastly, this project will be a tool for implementing the recently

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<sup>2</sup> The MIF has financed four operations in Chile that seek to incorporate ICT as a factor in the competitive development of businesses: two approved projects with the CCS, ATN/MT-8127-CH to strengthen security and trust in electronic commerce and ATN/ME-7956-RG-4CH for an ICT innovation program for e-business and small and medium-sized enterprise development; and two projects under the ICT4BUS program; one project was executed by the University of Talca, ATN/ME-7956-RG-13CH, to identify and manage software development risks, and another executed by the Centro de Productividad Integral [Center for Comprehensive Productivity] (CEPRI) for ICT-based business resource development and planning. In addition to supporting these private sector efforts through the MIF, the Bank has been developing lending operations to enhance public capacity in this sector, such as the technology development and innovation program (CH-0160) and the multiphase program to support the digital strategy (CH-L1001), which seeks to enhance Chile's participation in the digital era, increasing access to and use of ICT as a development factor, through institutional strengthening and implementation of a series of strategic initiatives (digital health and local e-government).

approved Enforceable Invoice Document Act, making it easier for MSMEs to gain greater access to credit.

- 1.11 The program is consistent with the guidelines of the MIF cluster action plan to strengthen the competitiveness of small and medium-sized enterprises (SMEs) through ICT (MIF/GN-83) in that its objectives include enhancing the competitiveness of SMEs in the region by promoting the application and adoption of ICT tools and innovative technology solutions for SMEs. This program addresses one of the MIF objectives in the area of application and adoption of ICT tools: to build local capacity for adoption and use of ITC tools and solutions for SMEs by providing technical assistance for the development of innovative and adapted training methodologies.
- 1.12 **Coordination with other official development institutions.** In view of the development conditions achieved by the country, international donor presence is limited in Chile. Nevertheless, the European Union is promoting a project in support of establishing innovative SMEs. No other institution has been identified that is preparing and/or executing similar projects in the region.<sup>3</sup>

## II. PROJECT OBJECTIVES AND DESCRIPTION

- 2.1 **Objectives.** The project's **general objective** is to help boost the competitiveness of MSMEs through massive use of information and communication technologies (ICT).<sup>4</sup> The **specific objective** is to be able to transfer new managerial and technical skills—through joint government and private sector efforts—to enable Chilean MSMEs to make full use of ICT in their accounting and tax management.
- 2.2 **Project description.** The project will be executed through three components: (i) development of a tax portal for MSMEs; (ii) development and implementation of business skills for the management of digital accounting and tax management solutions in MSMEs; and (iii) monitoring and dissemination of results.
- 2.3 **Component 1. Development of a tax portal for MSMEs (MIF: US\$390,000; counterpart: US\$1.2 million).** This component will finance the design of an MSME tax portal<sup>5</sup> associated with a business model that incorporates the main functionalities of the application (accounting,<sup>6</sup> electronic invoicing, tax processing,

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<sup>3</sup> The European Union has experience in electronic invoicing and has developed directives to simplify, modernize, and harmonize e-invoicing rules across the EU.

<sup>4</sup> Annex VII contains a glossary of technical and information technology terms.

<sup>5</sup> The main components of the portal are described in detail in Annex VI.

<sup>6</sup> Applications or package of computer programs that make it possible to use web-platform-based solutions for an enterprise's accounting management: financial and accounting information, cost accounting, management accounting, etc.

links to other sites, among the most significant). This portal will make it possible to support business formalization processes since it would facilitate accounting transactions and tax compliance. This in turn is expected to help expand access to sources of financing and opportunities for business with the State and with international trade. The development and maintenance of the “tax portal” tool at the SII will allow the project to tap economies of scale. The portal will have three basic applications: electronic invoicing,<sup>7</sup> accounting for MSMEs, and tax returns. Given that the Congress is currently considering the Enforceable Invoicing Document Act<sup>8</sup> that regulates the transfer of the invoices and grants enforceable merit thereto, the portal will be an important opportunity for MSMEs to significantly reduce the financial costs that they currently incur when they seek monetary liquidity or working capital through the assignment of invoices. This should improve their financing sources and terms and conditions and therefore have a very positive impact on economic efficiency and competitiveness.

- 2.4 MSME participation in the portal will allow for better coordination with financial and development institutions, which currently have a policy of support for this type of enterprise. Some of the most relevant institutions are the Corporación de Fomento a la Producción [Chilean Development Corporation] (CORFO), the Central Bank of Chile, and the Banco del Desarrollo, which specialize in particular areas.
- 2.5 The following will be financed through this component: (i) technical assistance for the design, development, and construction of the portal, including: (a) design and analysis of portal functionalities and modules (security and authentication systems, graphic design, interface, software and hardware, and connectivity); (b) design of a portal management model, which will include mechanisms for keeping the portal up to date in terms of legislation and sector support programs; (c) portal development and construction; (d) certification and testing; (ii) software;

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<sup>7</sup> It is a sale and purchase tax document generated electronically in an SII-defined format by a user authorized to do so by means of an SII administrative ruling.

<sup>8</sup> The law establishes that invoices are to incorporate an additional copy—currently one original and two copies are issued, with the original for the buyer, the first copy for the issuer, and the second for SII tax control—for purposes of its transfer to third parties. This new copy is the one that will have “enforceable merit,” which implies strengthening and facilitating collection of the payment implicit therein and the possibility of being “sold” (transfer-assignment) to a third party if the holder of the invoice wishes to cash in prior to expiration of the invoice’s payment terms. The above constitutes a special stimulus to competitiveness in the factoring industry, since the number of invoices that can be transferred rises significantly, which could result in increased competitiveness among agents involved in this activity and, therefore, could result in lowering the discount on the invoices required to convert them into present value. In addition, if the entrepreneur that forfeits the credit does so with an electronic invoice, the debtor may be notified through the invoice registry kept by the SII, saving the cost of notarial notification offered by the paper system. In addition, electronic invoices can be verified at [www.sii.cl](http://www.sii.cl), which will allow the factoring company to have complete certainty regarding the origin, client, and amount of the invoice. It is worth noting that this does not happen when paper invoices are used, since in such cases the SII can only guarantee that the document has been authorized, but cannot vouch for the content thereof.

- (iii) hardware; (iv) hosting at the SII; (v) development of SII computer applications to be included in the portal, such as: user authentication, electronic invoice software, value added, income, and other tax returns, applications server, backup server; (vi) application maintenance and technical support; (vii) infrastructure and equipment for a network with 12 access points in Chile's regions (hardware, connectivity, and technical support and maintenance); (viii) training infrastructure in 13 regions; and (ix) applications development and updates in years 2 and 3.
- 2.6 The expected outputs of this component are: within 12 months of the signature of the agreement, the MSME sector will have: (i) a tax portal in operation and properly used, with services and facilities in the tax, financial, and accounting areas; (ii) a developed portal management model (see description of applications in Annex V); and (iii) a monitoring system that will make it possible to determine the number of formalized enterprises, the number of new businesses established, and the number of new businesses with access to credit.
- 2.7 **Component 2: Development and implementation of business skills for the management of digital accounting and tax management solutions in MSMEs (MIF: US\$362,000; counterpart: US\$113,000).** The objective of this component is to design and develop a marketing and training plan for ICT-based solutions for accounting and tax management in MSMEs.
- 2.8 Under this component, a set of activities will be carried out that take into account the heterogeneous situation of Chilean microenterprises and small businesses. While enterprises with proven technological and managerial capacity are ready to quickly incorporate the use of the platform, others have not incorporated ICT for the development of their businesses. Accordingly, the set of activities to be financed under this component ranges from awareness-building workshops to the publication of a handbook for entrepreneurs and courses for companies that require more personalized attention. The specific benefits related to accounting and tax management achieved through the project are complemented by others. The ability to offer a solution to a problem experienced by the enterprises, such as a company's accounting and tax management, is leading the enterprises to seek out and make better use of ICT in support of business competitiveness.
- 2.9 The project will finance: (i) portal promotion and launching (event, materials, and regional communications media); (ii) technical assistance for the design of a program communication strategy that includes the development of a baseline of participating enterprises; (iii) technical assistance for the development of customer service through an SII help desk;<sup>9</sup> (iv) technical assistance for the development of

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<sup>9</sup> Services: (1) information on electronic invoicing operating procedures; (2) consultations on operating procedures for MSME accounting; (3) information on procedures related to the generation of tax returns (integration of modules); (4) information in support of training programs; (5) info center information; (6) procedures associated with getting key and connectivity.

- an MSME user manual (30,000 manuals); (v) training for 65 technology facilitators<sup>10</sup> (average of five per region); (vi) 13 regional awareness-building workshops; (vii) 20 courses averaging eight hours (1,500 participants): use of electronic invoicing in MSMEs; use of ICT in accounting; MSME tax returns via the Internet; and (viii) training for business associations in portal management.
- 2.10 The expected result of this component is linkage of some 10% of enterprises associated with CONUPIA and CONFEDECH to benefit from the services (year 1: 1,500 enterprises; year 2: 10,000; and year 3: 20,000). At the beginning, the component will offer a series of basic services free of charge. Subsequently, the associations will offer new and better services (solutions for accounting management, training, information services, and others), which will be fee-based to ensure project self-sustainability.
- 2.11 **Component 3. Monitoring, execution, and dissemination of results (MIF: US\$502,000; counterpart: US\$141,000).** This category covers costs associated with the project executing unit, auditing costs, periodic evaluations, project monitoring, and three seminars in Latin America and the Caribbean (LAC) to disseminate the results obtained.

### III. COST AND FINANCING

- 3.1 **Cost and financing.** The cost of the project is estimated at US\$2,733,000 equivalent, of which US\$1,279,000 will be provided by the MIF and US\$1,454,000 by the SII in the form of local counterpart resources (the budget and detailed timetable appear in Annex II).

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<sup>10</sup> Trainer of MSME end user: entrepreneurs, technical staff, and employees. Eligibility criteria for these facilitators are described in the Operating Regulations.

**Table III-1: Project budget**

<b>Components</b>	<b>MIF</b>	<b>SII</b>	<b>Total</b>	<b>%</b>
1. Development of a tax portal for MSMEs	390,000	1,200,000	1,590,000	58,2%
2. Development and implementation of business skills for the management of digital solutions in SMEs	362,000	113,000	475,000	17,4%
3. Monitoring, execution, and dissemination of results	502,000	141,000	643,000	23,5%
Executing unit and equipment	318,000	137,000	455,000	16,6%
Evaluation (2) and audits	25,000		25,000	0,9%
Contingencies	55,000		55,000	2,0%
Ex post evaluation two years after project execution	4,000	4,000	8,000	0,3%
3 seminars to disseminate results in LAC	100,000		100,000	3,7%
MIF cluster monitoring	25,000		25,000	0,9%
<b>TOTAL</b>	<b>1,279,000</b>	<b>1,454,000</b>	<b>2,733,000</b>	
Percentage (%)	46.8%	53.2%	100.0%	

- 3.2 **Project sustainability.** Project sustainability is based on the following factors:  
 (i) SII participation ensures availability of installed and efficient technical capacity (servers, hosting, security systems, technical services and maintenance, etc.); and  
 (ii) the project generates the managerial capacity in the associations to manage the portal developed and expand its supply of services.

## **IV. PROJECT EXECUTION**

- 4.1 **Executing agency.** The Internal Revenue Service (SII) of Chile, attached to the Ministry of Finance, is the institution responsible for administering the domestic tax system, facilitating and monitoring tax compliance, promoting the reduction of costs inherent in such compliance, and increasing the productivity of economic agents and strengthening modernization of the State and e-government in the country. The area of the SII responsible for executing this project is the Subdirección de Fiscalización [Control Section] (SDF), which manages the main business of the institution; its strategic orientation over the last few years has been to promote tax compliance, develop technological innovation projects (such as electronic invoicing, a foreign investor portal, etc.), and promote ongoing contact with business and trade associations, professionals, and tax administration agencies in other countries, to enable it to have a country-wide outlook and contribute to its development. The SII has signed a cooperation agreement with CONUPIA and CONFEDECH. These associations will assist with project execution, will represent the entrepreneurs' perspective, will develop managerial and technical skills to enable an increasing number of enterprises to use the solutions offered, and guarantee the institutional framework necessary to generate confidence in the participating enterprises.

- 4.2 **Execution mechanism.** There will be two entities to execute the project, one strategic, the other administrative. The strategy and policy-making entity consists of a Strategic Committee on the Portal (CEP), which will have full and executive sessions. The full session will meet at least twice a year and will be comprised of the General Director of the SII, the presidents of CONUPIA and CONFEDECH, and the project coordinators in each of the participating institutions. The executive session, which will meet bimonthly, will be comprised of the project coordinators in the participating institutions and will be chaired by the head of the SII's Control Section. The CEP operating mechanisms are described in the Operating Regulations.
- 4.3 An ad hoc executing unit will be set up for administrative tasks within the SII and will be attached to the SDF. It will be in charge of project coordination and execution and will be comprised of a general coordinator, an administrative-accounting assistant, an information technology assistant, and two interagency and training coordinators. The terms of reference for the pertinent contracts are in the Operating Regulations.
- 4.4 The executing unit will be in charge of: (i) preparing and executing annual work plans; (ii) coordinating project activities; (iii) issuing contracts in accordance with Bank rules and supervising the procurement of goods and services; (iv) supervising the timely and effective implementation of project components; (v) processing disbursement requests with the Bank; (vi) preparing statements of account and performance reports and presenting them to the head of the SDF and the Bank; (vii) monitoring the performance indicators set out in the logical framework; (viii) verifying the counterpart contribution of the project partners; and (ix) maintaining an ongoing relationship with the CEP. The executing unit's functions are described in detail in the Operating Regulations.
- 4.5 MSME training in the use and management of ICT and the specific applications targeted by this project will be provided by trained CONUPIA and/or CONFEDECH staff, i.e., the "technology facilitators" described in paragraph 2.9. The criteria for the selection of the 65 "technology facilitators" are set out in the Operating Regulations. In addition to the direct linkage with the private sector through the facilitators, the project anticipates installing capacity in the country for the management and administration of the tax portal. To this end, the SDF, through the executing unit, will conduct a competition among technical training agencies or various training entities, which will receive training in the use, management, and application of the portal developed, and will be charged with training CONUPIA and CONFEDECH member enterprises as well as any other nonmember enterprise interested in joining the project and meeting the following eligibility criteria: (i) they are formal enterprises; (ii) they have an Internet connection; (iii) the activities they engage in are not harmful to the environment and are not on the exclusion list developed for projects eligible for MIF financing; and (iv) their activity is reflected in the issuing of at least 60 invoices per year.



- 4.6 MSMEs benefiting from the project will pay for the technical assistance services they require to implement the various solutions offered under the project. In order to hire the consulting firms in charge of portal design and implementation, the executing unit will submit a proposal for calls for bids to the SDF and the Bank for approval, that follows the Bank's procurement and contracts procedures and includes terms of reference for the work to be carried out as well as qualification and selection procedures.
- 4.7 **Procurement of goods and services.** All contracts and procurement related to project execution will be done in accordance with Bank policies. The Bank may recognize as part of the program's local counterpart resources up to US\$200,000 in expenses incurred or to be incurred by the program beginning on 23 November 2004 and through the date of the agreement, provided they complied with Bank policies.
- 4.8 **Execution period and disbursement schedule.** The project will be executed in a period of 36 months and the resources from the contribution will be disbursed over a 42-month period. The revolving fund will be comprised of 20% of the Bank's contribution inasmuch as the project requires significant disbursements, in particular during the first few months of execution (portal design and construction).
- 4.9 **Project readiness.** A first draft of the collaboration agreement between the SII and the associations has been prepared and the SII and associations involved have had the opportunity to review the Operating Regulations.

## V. MONITORING AND EVALUATION

- 5.1 **Monitoring reports.** The executing unit will prepare project progress reports within 30 days of the end of each six-month period and a final report within 30 days of the final disbursement, to be submitted to the Bank's Country Office in Chile. For the first annual status report, the executing unit will prepare the work plan for year 2. These reports will follow a format previously agreed upon with the Country Office and will cover the activities, the project's financial performance, and results measured in terms of execution and performance indicators identified in the project's logical framework. The Country Office will use these reports to monitor progress in the implementation of the project and to prepare a project completion report in the three months following the last disbursement. The Bank, the executing unit, and the project consultants will undertake a review of the project's progress based on the semiannual progress reports.
- 5.2 **Evaluation.** The Bank will use resources from the MIF contribution to hire independent consultants to conduct two project evaluations. A midterm evaluation will be conducted once 50% of the resources have been disbursed or 22 months have passed since signature of the agreement, whichever comes first. It will be

commissioned by the Bank and paid for by the project, with terms of reference to be agreed upon by the executing agency. Based on the midterm evaluation, the Country Office and the project team, if necessary, will determine whether the project should continue, be changed, or suspended or cancelled. This evaluation will consider the following factors at least: (i) trends in logical framework indicators; (ii) overall compliance with budget considerations; (iii) availability of a baseline; (iv) compliance of the counterpart *pari passu* in accordance with the project budget; (v) currency of the Operating Regulations and compliance therewith during project execution; (vi) delivery of the first national information-dissemination workshop, at which results of the identification of successful models will be presented; and (vii) difficulties, risks, challenges in project execution, and recommendations for effective implementation.

- 5.3 A final evaluation will be conducted within three months of the end of the execution period, will be financed by the operation, and will be commissioned by the Bank. At a minimum, the following factors will be analyzed: (i) the level of fulfillment of the project's specific purposes and objectives, specifically the number of additional customers gained by the participating MSMEs and financial and operating variations with respect to the baseline; (ii) user satisfaction, determined through a survey of participating MSMEs and their customers; (iii) the impact measured in terms of the increase in financial and credit services received by participating MSMEs; and (iv) degree of sustainability of the project-promoted actions after the MIF's contribution is spent. An *ex post* evaluation is planned, to be conducted two years after project execution is completed, to be financed equally by the SII and the MIF.

## VI. RATIONALE AND RISKS

- 6.1 **Justification.** This project will be the first MIF-financed project in the field of public-private cooperation that, while promoting greater fiscal efficiency and transparency, provides elements to support technological adequacy processes and, consequently, SME competitiveness. The need to establish a public-private partnership is based on three aspects that are key to the project's success: (i) to avoid having owners of MSMEs consider the purpose of SII participation to be purely to improve control over the sector, rather than to enhance their competitiveness and their access to better business opportunities, the presence of the two main associations representing MSMEs reinforces the purpose of promoting the development of these businesses; (ii) the capacity of the participating associations and their main leaders to mobilize and represent the sector is recognized in Chile; and (iii) the work of having the entrepreneurs join this initiative to a large extent depends on having direct access to them throughout the country, through the use of the associations' infrastructure both in the main cities and in small and isolated communities. Some 30,000 MSMEs will be the direct beneficiaries.

- 6.2 **Risks.** The operation faces the following main risks: (i) the enterprises might not join the portal, if they view it merely as a mechanism to increase collection levels and not necessarily to improve their management skills; (ii) the associations may not be capable of transmitting the importance of ICT and the advantages of participating in the portal to their member businesses; (iii) the MSMEs may not have the financial resources to make the equipment upgrades required by the project or may not have the liquid assets needed to pay for using the portal. To overcome these risks, the project anticipates taking the following actions: (1) general awareness-building workshops will be conducted; (2) the associations are part of the CEP; (3) training will not be imparted by the SII but by the associations and technical training agencies; and (4) the eligibility criteria that the MSMEs will be required to meet will help eliminate the risk of their lacking the resources to join the portal and contribute to its support—other initiatives are promoting access to and use of ICT by the enterprises, such as the SERCOTEC network, info centers, and the Santiago Chamber of Commerce.
- 6.3 **Environmental and social considerations.** The operation was reviewed by the Committee on Environment and Social Impact on 3 December 2004. No comments were made since the profile approaches were deemed appropriate.

## VII. SPECIAL CONTRACTUAL CONDITIONS

- 7.1 Presentation of the following evidence to the Bank's satisfaction will be required for the project to be declared eligible for the first disbursement: (i) the project's Operating Regulations discussed during the project analysis mission have been approved by the CEP; (ii) the project coordinator has been selected in accordance with the Bank's procedures; and (iii) the annual work plan has been approved.

# LOGICAL FRAMEWORK MATRIX

## DEVELOPMENT OF AN ELECTRONIC INVOICING SYSTEM AND TAX PORTAL FOR MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES IN CHILE (CH-M1004)

Narrative summary	Indicators	Means of verification	Assumptions
<p><b>Goal:</b></p> <p>Help boost the competitiveness of micro, small, and medium-sized enterprises (MSMEs) through the use of technological tools for management and information and communication technology (ICT)</p>	<p>2 or 3 years after project completion:</p> <ol style="list-style-type: none"> <li>1. The MSMEs have increased their share of sales by 10%.</li> <li>2. 30% more MSMEs have gained access to at least one new local and/or international market.</li> <li>3. The MSMEs using electronic invoicing will see a drop of about 30% in invoice processing transaction costs.</li> <li>4. An electronic invoice registry will be developed in Chile that will be conducive to this type of secured transaction.</li> <li>5. At least 5,000 firms that begin to use digital invoicing will have access to new financial services opportunities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Statistical sample</li> <li>2. Associations' statistical reports</li> <li>3. Data from National Statistics Institute</li> <li>4. MSME survey</li> <li>5. Baseline</li> <li>6. Ex post evaluation</li> </ol>	<p>Economic and political situation remains stable.</p> <p>Government and MSMEs interested in investing in ICT to enhance their productivity and efficiency.</p>
<p><b>Purpose / Outcome</b></p> <p>Through public-private partnership, transfer managerial and technical skills in tax and business management areas to CONUPIA and CODEFECH (associations representing MSMEs in Chile)</p>	<ol style="list-style-type: none"> <li>1. At the end of three years, 20,000 MSMEs will have adopted technological tools for accounting and tax management.</li> <li>2. At the end of 12 months, a tax portal exists that has links to important training sites, forums, and sites of interest to MSMEs, such as banks and financial institutions.</li> <li>3. At start of year 3, the capacity to generate new services on the portal will be in the process of being transferred to the trade associations (CONUPIA and CONFEDACH).</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual reports and financial statements of CONUPIA, CONFEDACH, and SII</li> <li>2. Various statistics</li> <li>3. Project Performance Monitoring Report (PPMR)</li> <li>4. Inspection visits by specialist at the IDB's Country Office in Chile</li> <li>5. Midterm and final evaluations by external consultant</li> <li>6. Progress and final reports by executing agency</li> <li>7. Project Completion Report (PCR)</li> </ol>	<ol style="list-style-type: none"> <li>1. The MSMEs have the technical, human, and financial resources to implement ICT solutions.</li> <li>2. The associations continue to manage the portal efficiently and effectively.</li> <li>3. The training and mechanisms planned for the portal support the increase in productivity and ensuing competitiveness of the MSMEs.</li> <li>4. The public-private partnership continues to have the same interests.</li> </ol>

Narrative summary	Indicators	Means of verification	Assumptions
<p><b>Component / Output</b></p> <p>1. Development of Internet platform for MSMEs—tax portal.<sup>1</sup></p> <p>2. Development of new business skills for the use of digital solutions by MSMEs.</p>	<p>1.1 At the end of 12 months, the Internet platform will have been developed and implemented.</p> <p>1.2 At the end of 24 months, 10,000 enterprises are connected as members of the portal and, at the end of 36 months, 20,000 enterprises are connected.</p> <p>1.3 Starting in month 30 new products have begun to be developed and applications updated.</p> <p>1.4 At the start of year two, a network of 12 access points is available in the regions.</p> <p>2.1 By month three of year two, customer service capacity available at SII help desk.</p> <p>2.2 By month four of year two, a tax portal user handbook is available for MSMEs.</p> <p>2.3 In month 16 there are 65 trainers trained and capable of training MSMEs in the use and management of the tax portal.</p> <p>2.4 By the end of year one, a communication strategy is in place.</p> <p>2.5 By the end of month 24, 30,000 people have participated in awareness-raising events or received training, and 60,000 people by the end of month 36.</p>	<p>1. SII, CONUPIA, and CONFEDECH audit reports</p> <p>2. Consultants' reports</p> <p>3. Financial statements</p> <p>4. PPMR</p> <p>5. Inspection visits by specialist at the IDB's Country Office in Chile</p> <p>6. Midterm and final evaluations by external consultant</p> <p>7. Progress and final reports by executing agency</p> <p>8. PCR</p>	<p>1. Trained entities will influence technological changes in their affiliates.</p> <p>2. There are enough MSMEs interested in applying ICT.</p> <p>3. The entities can and want to meet requirements for formalization and tax compliance that project participation implies.</p>
<b>Activities</b>			
<p>1.1 Contracting of technical assistance for portal design, development, and construction (including certification and testing)</p> <p>1.2 Software</p> <p>1.3 Hardware</p>	<p>By the end of month 10, a portal has been designed that includes three basic applications,<sup>2</sup> security and authentication systems, graphic design, interface, software and hardware, and connectivity.</p>	<p>1. Accounting</p> <p>2. Disbursement requests</p> <p>3. Records of payments to consultants</p> <p>4. Selection committee minutes</p> <p>5. PPMR</p>	<p>1. There are MSMEs with the necessary implementation capacity and finances to participate.</p> <p>2. Services and products are procured on a timely basis in accordance with the execution timetable.</p>

<sup>1</sup> A portal is a set of Web pages grouped together in such a way that it helps the remote user, through clear navigation, to find information that is generated and published in an organization and to gain access to Web applications placed at the user's disposal. A Web portal should provide the user with personalized content based on the user's profile, in this case offering applications for the accounting and tax management of MSMEs.

<sup>2</sup> Electronic invoicing, accounting, returns, and connectivity

Narrative summary	Indicators	Means of verification	Assumptions
<p>1.4 Hosting (36 months)</p> <p>1.5 Development of computer applications (including technical support and maintenance)</p> <p>1.6 Training infrastructure in 13 regions</p> <p>1.7 Development and update of applications in years 2 and 3</p> <p>1.8 Equipment for a 12-point network to access the tax portal in the regions</p> <p>2.1 Promotion and launching of portal (includes technical assistance for the design and development of a program communication strategy)</p> <p>2.2 Technical assistance for the development of customer service through the SII help desk</p> <p>2.3 Technical assistance to design a tax portal user manual for MSMEs</p> <p>2.4 Training for 65 technology facilitators<sup>3</sup> (average of 5 per region)</p> <p>2.5 13 regional awareness-building workshops</p> <p>2.6 Training for business associations in portal management</p> <p>2.7 Development of 20 courses averaging eight hours: use of electronic invoicing in MSMEs; use of ICT in accounting; tax returns via Internet for MSMEs.</p> <p>3.1 Three seminars in LAC</p>	<p>The portal is built, certified, and tested by the end of month 12 of the project</p> <p>20,000 MSMEs are registered with the portal by month 36</p> <p>On average, the portal gets 2,000 users daily by month 36</p> <p>240 system users make use of access points daily by month 36</p> <p>Six new services offered through the SII help desk by month 24</p> <p>(1) Information on operating procedures for electronic invoicing</p> <p>(2) Consultations on operating procedures for MSME accounting</p> <p>(3) Information on procedures related to generating tax returns (module integration)</p> <p>(4) Information to support training programs</p> <p>(5) Info center information</p> <p>(6) Procedures associated with obtaining key and connectivity)</p> <p>30,000 manuals distributed by month 36</p> <p>65 technology facilitators trained by month 24</p> <p>650 people attended the 13 workshops by month 36</p> <p>1,500 people trained in 20 courses by month 36</p> <p>150 people attended the international seminars</p>	<p>6. Inspection visits by specialist at the IDB's Country Office in Chile</p> <p>7. Midterm and final evaluations by external consultant</p> <p>8. Progress and final reports by executing agency</p> <p>9. PCR</p> <p>1. Help manuals to support SII help desk work</p> <p>2. Publication of manual and evaluation of CD</p> <p>3. Certification of training of technology facilitators</p> <p>4. List of participants</p> <p>5. Training activity evaluation forms</p>	<p>3. Counterpart financing is available on a timely basis.</p>

<sup>3</sup> Trainer of end user at MSMEs

ANNEX II  
(CH M1004)

Development of an Electronic Invoicing System and Tax Portal for Chilean MSMEs	Quant. & Unit	US\$	US\$	MIF	TOTAL 3 YEARS (42 months)				
		Unit	Total		COUNTERPART				
					Cash		Kind		Subtotal
					SII	Assoc.	SII	Assoc.	
		value	value						
Component 1: Development of a tax portal for MSMEs									
1.1 Design, development, and construction of the portal			350,000	350,000	0	0	0	0	0
Design and analysis of functionalities and modules portal and management model			85,718	85,718	0	0	0	0	0
Portal development and construction			234,654	234,654	0	0	0	0	0
Certification and testing			29,628	29,628	0	0	0	0	0
1.2. Hardware and software			280,000	0	280,000	0	0	0	280,000
Hardware, basic software, licenses and connectivity			280,000	0	280,000	0	0	0	280,000
1.3 Hosting			400,000	0	400,000	0	0	0	400,000
Connectivity (telecommunications costs)			160,000	0	160,000	0	0	0	160,000
Security 7 x24x365			42,000	0	42,000	0	0	0	42,000
Monitoring and backup			100,000	0	100,000	0	0	0	100,000
Technical support and maintenance			98,000	0	98,000	0	0	0	98,000
1.4. SII computer applications environment			425,000	0	425,000	0	0	0	425,000
User authentication			55,000	0	55,000	0	0	0	55,000
Electronic invoicing software			82,000	0	82,000	0	0	0	82,000
Software for VAT, income tax, and other returns			80,000	0	80,000	0	0	0	80,000
Applications server			71,000	0	71,000	0	0	0	71,000
Backup server			55,000	0	55,000	0	0	0	55,000
Technical support and maintenance			12,000	0	12,000	0	0	0	12,000
Software income proposal			70,000	0	70,000	0	0	0	70,000
1.5. Training infrastructure (13 regions)			50,000	0	0	0	0	50,000	50,000
Infrastructure, equipment, and service costs			50,000	0	0	0	0	50,000	50,000
1.6. Applications development and update			25,000	0	0	0	0	25,000	25,000
Fees			25,000	0	0	0	0	25,000	25,000
1.7. Equipment for access network in 12 regions			60,000	40,000	0	0	0	20,000	20,000
Hardware			36,000	36,000	0	0	0	0	0
Connectivity			10,000	0	0	0	0	10,000	10,000
Technical support and maintenance			14,000	4,000	0	0	0	10,000	10,000
Total Component 1			1,590,000	390,000	1,105,000	0	0	95,000	1,200,000
Pari Passu				24.5%					75.5%
Component 2: Development and implementation of business skills for the management of digital accounting and tax management solutions in MSMEs									
2.1. Portal promotion and launching			98,000	0	0	0	0	98,000	98,000
Technical assistance for design of communication strategy and development of baseline of participating firms			33,000	0	0	0	0	33,000	33,000
Event			7,000	0	0	0	0	7,000	7,000
Promotional material			30,000	0	0	0	0	30,000	30,000
Regional communication media			28,000	0	0	0	0	28,000	28,000
2.2. Facilitation of portal use in MSMEs			257,000	242,000	0	0	0	15,000	15,000
Technical assistance for the development of customer service through an SII help desk			20,000	20,000	0	0	0	0	0
Development of a tax portal user manual			90,000	90,000	0	0	0	0	0
Training of 65 trainers (technology facilitators)			52,000	52,000	0	0	0	0	0
13 regional workshops to raise awareness			65,000	65,000	0	0	0	0	0
Portal management training for associations			15,000	0	0	0	0	15,000	15,000
Travel and per diem			15,000	15,000	0	0	0	0	0
2.3. Training in business skills and digital solutions			120,000	120,000	0	0	0	0	0
20 one-day courses on digital invoicing in 13 regions			40,000	40,000	0	0	0	0	0
20 one-day courses on the use of ICT in accounting in 13 regions			40,000	40,000	0	0	0	0	0
20 one-day courses on tax returns via Internet in 13 regions			40,000	40,000	0	0	0	0	0
Total Component 2			475,000	362,000	0	0	0	113,000	113,000
Pari Passu				76.2%					23.8%
Component 3: Monitoring, execution, and dissemination of results									
3.1. Dissemination of results			100,000	100,000	0	0	0	0	0
3 Seminars in LAC			80,000	80,000	0	0	0	0	0
Materials			20,000	20,000	0	0	0	0	0
Executing Unit									
{{(PT) = part-time / (FT) = full-time}}			432,000	318,000	0	42,000	72,000	0	114,000
General Coordinator of the Project (FT)	36	4,000	144,000	144,000	0	0	0	0	0
Administrative Accounting (PT)	36	1,000	36,000	0	0	0	36,000	0	36,000
Information systems (PT)	36	1,000	36,000	0	0	0	36,000	0	36,000
Interagency coordination and training (2 FT)	72	3,000	216,000	174,000	0	42,000	0	0	42,000
Executing Unit - Logistics			23,000	0	18,000	0	5,000	0	23,000
Furniture	1	5,000	5,000	0	0	0	5,000	0	5,000
Offices, services, communications, mail, internet, etc.	36	500	18,000	0	18,000	0	0	0	18,000
Total Executing Unit			455,000	318,000	18,000	42,000	77,000	0	137,000
Pari Passu				69.9%					30.1%
Monitoring			88,000	84,000	4,000	0	0	0	4,000
Evaluations	2	7,500	15,000	15,000	0	0	0	0	0
Audits	1	10,000	10,000	10,000	0	0	0	0	0
Contingencies		55,000	55,000	55,000	0	0	0	0	0
Ex post evaluation	1	8,000	8,000	4,000	4,000	0	0	0	4,000
Monitoring total			88,000	84,000	4,000	0	0	0	4,000
Pari Passu				95.5%					4.8%
Total Component 3			643,000	502,000	22,000	42,000	77,000	0	141,000
Pari Passu				78.1%					21.9%
MIF cluster monitoring			25,000	25,000	0	0	0	0	0
PROJECT TOTAL			2,733,000	1,279,000	1,127,000	42,000	77,000	208,000	1,454,000
PARI PASSU				46.8%					53.2%

### ANNEX III

#### CH-M1004 - Development of an Electronic Invoicing System and Tax Portal for Micro, Small, and Medium-Sized Enterprises

##### Projects in Chile

##### A. Similar or related MIF projects

##### B. Similar or related Bank projects

##### C. Projects related to the same sector or beneficiaries

Project number/Approval date	Project title, sector, executing agency, and amount	Date of signature and original disbursement period in months	Percentage disbursed	Comments: satisfactory or problematic execution, including delays, extensions, reformulation, change in executing agency, etc.
ATN/MT-8127-CH 12/4/2002	Program to Strengthen Chilean E-Commerce Security and Trust - Cámara de Comercio de Santiago (CCS) US\$1,000,000	4/1/2003 - 30 months	23%	Classified as HS/P. Favorable development outlook (outputs and outcomes)
ATN/ME-7956-RG-4 03/01/2004	ICT4BUS Pilot Project (CH) - CCS Web Services - Cámara de Comercio de Santiago (CCS) US\$302,000	3/1/2004 - 30 months	20%	Classified as H/S. Favorable development outlook (outputs and outcomes)
ATN/ME-7956-RG-13 06/16/04	ICT4BUS Pilot Project Knowledge Management for Software Development Risks - Universidad de Talca US\$149,142	6/16/2004 - 30 months	0%	Conditions precedent not yet presented to the Bank
ATN/ME-7956-RG-14 08/10/04	ICT4BUS Pilot Project: ICT Platform - Centro de Productividad Integral (CEPRI) US\$370,096	8/10/2004 - 30 months	20%	Classified as H/S. Favorable development outlook (outputs and outcomes)

##### D. MIF portfolio in Chile



MULTILATERAL INVESTMENT FUND											
CHILE MIF PORTFOLIO											
No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb	
1	MIF/AT-31	TC9307291	ATN/MH-4761-CH	Pilot Program to Contract Out Retraining and Placement Services to the Private	SENCE	II	14-Dec-94	Completed	1,840,897	100	
2	MIF/AT-33	TC9410151	ATN/MH-4905-CH	Strengthening The National Commission On Environment	CNMA	II	24-May-95	Completed	1,902,500	100	
3	MIF/AT-59	TC9504201	ATN/MT-5053-CH	Transport Sector Concessions	MOPDV	I	01-Nov-95	Completed	1,467,955	100	
4	MIF/AT-79	TC9602138	ATN/MT-5199-CH	Global Integration	MH	I	24-Apr-96	Completed	606,318	100	
5	MIF/AT-96	TC9609142	ATN/MH-5394-CH	Program for Innovation in Training in Technical Skills	FEE	II	30-Oct-96	Completed	297,600	100	
6	MIF/AT-96	TC9609150	ATN/MH-5395-CH	Program for Innovation in Training in Technical Skills	FA	II	30-Oct-96	Completed	300,000	100	
7	MIF/AT-96	TC9506348	ATN/MH-5393-CH	Program for Innovation in Training in Technical Skills	CIDE	II	30-Oct-96	Completed	1,009,375	100	
8	MIF/AT-110	TC9604019	ATN/ME-5444-CH	Technology Transfer and Investment Fund	FC	IIIa	11-Dec-96	Completed	2,889,141	100	
9	MIF/AT-110	TC9608269	EQU/MS-0009-CH	Technology Transfer and Investment Fund	FC	IIIb	11-Dec-96	Completed	2,986,490	100	
10	MIF/AT-148	TC9504144	ATN/ME-5767-CH	Program of Small Enterprise Competitiveness	CEPRI	IIIa	19-Nov-97	Completed	2,000,000	100	
11	MIF/AT-232	TC9801194	ATN/MT-6376-CH	Commercial Arbitration and Mediation Center	CCS	I	03-Feb-99	Completed	646,598	100	
12	MIF/AT-294	TC9808041	ATN/MH-6698-CH	Labor Competency Certification Program	FC	II	13-Oct-99	Completed	1,849,174	100	
13	MIF/AT-308	TC9805071	ATN/MT-6809-CH	Strengthening Water Sector Regulatory Entity	SSS	I	08-Dec-99	Completed	1,063,361	100	
14	MIF/AT-314	TC0005003	ATN/MH-6959-CH	Regional Employment Program for the Blind	UNITCH	II	26-Apr-00	In execution	500,700	81	
15	MIF/AT-329	TC9904019	ATN/ME-6985-CH	Micro-Leasing Restructuring Program for INDES S.A.	INDES	IIIa	31-May-00	In execution	570,000	83	

No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb
16	MIF/AT-370	TC0009031	ATN/ME-7201-CH	Equity Investment in the "Negocios Regionales" Investment Fund	FC	IIIa	01-Nov-00	Cancelled	0	0
17	MIF/AT-370	TC0009010	EQU/MS-7202-CH	Equity Investment in the "Negocios Regionales" Investment Fund	FCMI	IIIb	01-Nov-00	Completed	3,000,000	100
18	MIF/AT-400	TC0009024	ATN/MT-7353-CH	Modernization of the Mass Transportation System	MTT	I	07-Mar-01	In execution	1,250,000	72
19	MIF/AT-403	TC0009002	ATN/MH-7403-CH	Training for Young Entrepreneurs	FEE	II	25-Apr-01	In execution	276,602	97
20	MIF/AT-416	TC0007039	ATN/ME-7468-CH	Integrating Microenterprise Production	FS	IIIa	27-Jun-01	In execution	1,092,000	90
21	MIF/AT-458	TC0107009	ATN/ME-7799-CH	Risk Scoring System for Bandesarrollo Microempresas	BDDM	IIIa	22-Feb-02	In execution	270,000	80
22	MIF/AT-461	TC0108000	ATN/ME-7830-CH	Regulation of Credit Unions (FECRECOOP)	FECRECOOP	IIIa	03-Apr-02	Cancelled	0	0
23	MIF/AT-516	TC0205024	ATN/MT-8127-CH	Strengthening of Security and Trust in Electronic Trade	CCS	I	04-Dec-02	In execution	1,000,000	23
24	MIF/AT-518	TC0207025	EQU/MS-8133-CH	Strengthening and Promoting the Venture Capital Industry	CORFO	IIIb	11-Dec-02	Approved	10,000,000	0
25	MIF/AT-518	TC0207026	ATN/ME-8132-CH	Strengthening and Promoting the Venture Capital Industry	CORFO	IIIa	11-Dec-02	Approved	400,000	0
26	MIF/AT-558	TC0305032	ATN/ME-8529-CH	Adoption of Corporate Social Responsibility Practices in SME's	PUCV	IIIa	03-Dec-03	In execution	1,250,000	10
27	MIF/AT-583	CH-M1001	ATN/MT-8617-CH	International Financial Reporting Standards and International Standards	CCCH	I	21-Jan-04	In execution	725,000	10
28	MIF/AT-590	TC0205037	ATN/MT-8696-CH	Strengthening Credit Unions Regulation and Supervision	MEFR	I	28-Apr-04	Approved	1,136,000	0
29	MIF/AT-624-1	CH-M1002	82/MS-CH	Seed Capital Facility	FC	IIIb	01-Dec-04	Approved	3,000,000	0
30	MIF/AT-624-1	CH-M1002	ATN/ME-8973-CH	Seed Capital Facility	FC	IIIb	01-Dec-04	Approved	530,000	0
31	MIF/AT-625-1	CH-M1003	ATN/ME-8974-CH	Support for the Competitvity of the Software Industry	PROCHILE	IIIA	01-Dec-04	Approved	2,075,000	0
<b>Total MIF Amount</b>									<b>45,934,712</b>	

CHILE MIF PORTFOLIO										
MI	Memo #	Project #	ATN #	Name	Exec. Agency	FCL	Approval	Status	MIF Amount	% Disb
1	MIF/AT-31	TC9307291	ATN/MH-4761-CH	Pilot Program to Contract Out Retraining and Placement Services to the Private Sector	SENCE	II	14-Dec-94	Completed	1,840,897	100
2	MIF/AT-33	TC9410151	ATN/MH-4905-CH	Strengthening The National Commission On Environment	CNMA	II	24-May-95	Completed	1,902,500	100
3	MIF/AT-59	TC9504201	ATN/MT-5053-CH	Transport Sector Concessions	MOPDV	I	01-Nov-95	Completed	1,467,955	100
4	MIF/AT-79	TC9602138	ATN/MT-5199-CH	Global Integration	MH	I	24-Apr-96	Completed	606,318	100
5	MIF/AT-96	TC9609142	ATN/MH-5394-CH	Program for Innovation in Training in Technical Skills	FEE	II	30-Oct-96	Completed	297,600	100
6	MIF/AT-96	TC9609150	ATN/MH-5395-CH	Program for Innovation in Training in Technical Skills	FA	II	30-Oct-96	Completed	300,000	100
7	MIF/AT-96	TC9506348	ATN/MH-5393-CH	Program for Innovation in Training in Technical Skills	CIDE	II	30-Oct-96	Completed	1,009,375	100
8	MIF/AT-110	TC9604019	ATN/ME-5444-CH	Technology Transfer and Investment Fund	FC	IIIa	11-Dec-96	Completed	2,889,141	100
9	MIF/AT-110	TC9608269	EQU/MS-0009-CH	Technology Transfer and Investment Fund	FC	IIIb	11-Dec-96	Completed	2,986,490	100
10	MIF/AT-148	TC9504144	ATN/ME-5767-CH	Program of Small Enterprise Competitiveness	CEPRI	IIIa	19-Nov-97	Completed	2,000,000	100
11	MIF/AT-232	TC9801194	ATN/MT-6376-CH	Commercial Arbitration and Mediation Center	CCS	I	03-Feb-99	Completed	646,598	100
12	MIF/AT-294	TC9808041	ATN/MH-6698-CH	Labor Competency Certification Program	FC	II	13-Oct-99	Completed	1,849,174	100
13	MIF/AT-308	TC9805071	ATN/MT-6809-CH	Strengthening Water Sector Regulatory Entity	SSS	I	08-Dec-99	Completed	1,063,361	100
14	MIF/AT-314	TC0005003	ATN/MH-6959-CH	Regional Employment Program for the Blind	UNITCH	II	26-Apr-00	In execution	500,700	81
15	MIF/AT-329	TC9904019	ATN/ME-6985-CH	Micro-Leasing Restructuring Program for INDES S.A.	INDES	IIIa	31-May-00	In execution	570,000	83
16	MIF/AT-370	TC0009031	ATN/ME-7201-CH	Equity Investment in the "Negocios Regionales" Investment Fund	FC	IIIa	01-Nov-00	Cancelled	0	0
17	MIF/AT-370	TC0009010	EQU/MS-7202-CH	Equity Investment in the "Negocios Regionales" Investment Fund	FCMI	IIIb	01-Nov-00	Completed	3,000,000	100
18	MIF/AT-400	TC0009024	ATN/MT-7353-CH	Modernization of the Mass Transportation System	MTT	I	07-Mar-01	In execution	1,250,000	72
19	MIF/AT-403	TC0009002	ATN/MH-7403-CH	Training for Young Entrepreneurs	FEE	II	25-Apr-01	In execution	276,602	97
20	MIF/AT-416	TC0007039	ATN/ME-7468-CH	Integrating Microenterprise Production	FS	IIIa	27-Jun-01	In execution	1,092,000	90
21	MIF/AT-458	TC0107009	ATN/ME-7799-CH	Risk Scoring System for Bandesarrollo Microempresas	BDDM	IIIa	22-Feb-02	In execution	270,000	80
22	MIF/AT-461	TC0108000	ATN/ME-7830-CH	Regulation of Credit Unions (FECRECOOP)	FECRECOOP	IIIa	03-Apr-02	Cancelled	0	0
23	MIF/AT-516	TC0205024	ATN/MT-8127-CH	Strengthening of Security and Trust in Electronic Trade	CCS	I	04-Dec-02	In execution	1,000,000	23
24	MIF/AT-518	TC0207025	EQU/MS-8133-CH	Strengthening and Promoting the Venture Capital Industry	CORFO	IIIb	11-Dec-02	Approved	10,000,000	0
25	MIF/AT-518	TC0207026	ATN/ME-8132-CH	Strengthening and Promoting the Venture Capital Industry	CORFO	IIIa	11-Dec-02	Approved	400,000	0
26	MIF/AT-558	TC0305032	ATN/ME-8529-CH	Adoption of Corporate Social Responsibility Practices in SME's	PUCV	IIIa	03-Dec-03	In execution	1,250,000	10
27	MIF/AT-583	CH-M1001	ATN/MT-8617-CH	International Financial Reporting Standards and International Standards Auditing	CCCH	I	21-Jan-04	In execution	725,000	10
28	MIF/AT-590	TC0205037	ATN/MT-8696-CH	Strengthening Credit Unions Regulation and Supervision	MEFR	I	28-Apr-04	Approved	1,136,000	0
Total MIF Amount									40,329,712	

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